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Informal Memo -

No Number

Stamp Secret or ~~Top Secret~~

Signature - Individual's Name

No Title

9 August 1967

MEMORANDUM FOR: Gen. Bacalis

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1. As you requested, I have reviewed the minutes of the ExCom minutes with [REDACTED] to determine whether there are identifiable instances where casual comments have evolved into official policy as a result of not being challenged or clarified.

25X1A6a 2. The only item of specific application to OSA programs concerned the IDEALIST "collocation study" conducted during the past year. At the meeting on 23 November 1966 a casual comment was made concerning the BOB's suggestion for such a study; there was no action by the ExCom and apparently little if any discussion. The minutes of the meeting stated that BOB had mentioned the possibility. However, DNRO treated the matter as if it had been endorsed by the ExCom. Funds which had already been approved in the FY 67 budget for specific line items (notably the avionics shop building at [REDACTED] were frozen until the study was conducted and the BOB agreed to the building. However, the matter was not referred to the ExCom again and the resolution was accomplished through Dr. Flax, Mr. Holleran, and Mr. Fischer. It might be noted that Mr. Fischer is now promoting "single management".

25X1A1a 25X1A1a 25X1A1a 3. One other example which did not result in "indirect policy" might be cited because it might mislead the members of the ExCom. The briefing notes prepared by NRO/Compt for the ExCom meeting last Friday contained several statements which were debatable, and which, since they were not challenged, could be regarded as factual. One example was the estimate that it would cost [REDACTED] per month to operate OXCART if it is continued beyond December. We believe that the figure is closer to [REDACTED] which is a difference of more than [REDACTED] per year. The statement would also lead to the impression that the project could be continued on a month-to-month basis, which is not the case. Almost



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invariably the NRO cost estimates for the Agency programs are higher than actual costs. For example, the [REDACTED] whereas the actual [REDACTED]. The briefing notes for the meeting this month also included certain statements about the U-2R procurement which would require interpretation. There was an inference that the Agency had \$10 million in unprogrammed requirements, and that this was the result of poor planning. In fact, the Agency can manage its requirements within the original IDEALIST and U-2R presentations, and the unprogrammed requirements were almost entirely for the SAC portion of the U-2R procurement.

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